

# Get Ready for SRD II Compliance



Impact and opportunities for intermediaries

Ready for Next

# The deadline for SRD II compliance is fast approaching

The revised Shareholder Rights Directive (SRD II) will significantly impact shareholder communications. Issuers, investors and intermediaries must comply with new requirements on how information is shared.

The scope of the regulation is global, impacting any financial intermediary holding or servicing European equities, wherever it is located. Crucially, the time to act and get ready is now.

The regulation aims to increase the accuracy and transparency of communications between issuers and investors – facilitating more active shareholder engagement. The new rules will have a significant impact across the entire investor communications chain from issuer to investor, and particularly intermediaries who must comply with new rules on the sharing of information.

The requirements for intermediaries fall under two core areas: the need to offer an effective proxy voting service, and the need to identify shareholders when requested by issuers.

The obligations on intermediaries are significant: information must be passed quickly and securely, placing demands on technology and communication flow as all requests, responses and authentications need to pass through multiple parties.

The countdown is on for implementation in September 2020, meaning firms must get ready now.

Broadridge is at the forefront of the changes impacting the investor communications industry. SRD II introduces challenging requirements and we are committed to providing new solutions to meet these requirements, streamline critical investor communications and drive transparency.

**Let us show you what's next.**

# What this means for you: The new requirements

1

## **Agenda Distribution and Voting**

- Distribution of proxy notices to all clients 'without delay'
- Same-day processing of vote instructions
- Electronic, machine readable messaging required, with minimum standards for data formatting

2

## **Vote Confirmation**

- If requested by a shareholder, issuers must confirm receipt and recording of vote instructions
- The flow of this information will likely take place through the chain of intermediaries, placing an additional demand on the communication flow

3

## **Shareholder Disclosure**

- Disclosure requests for listed companies must be passed electronically passed through the communications chain
- Responses must be made within the same business day
- Authentication / validation required to verify all requests
- Electronic, machine readable process required



# A comprehensive suite of solutions for SRD II compliance

Broadridge offers comprehensive, end-to-end support through the voting process for all intermediary types, including retail, commercial and private banks, and wealth managers as well as institutional brokers, custodians and CSDs. We help you meet your new SRD II compliance obligations on time and with confidence.

- Our flexible Global Proxy Solution enables you to provide a seamless proxy voting service to institutional or retail clients, tailored to your requirements, through a state-of-the-art streamlined, intuitive, online experience.
- Our unique Shareholder Disclosure Hub enables you to pass on or respond to shareholder identification requests accurately and securely within the required deadlines

## SRD II-ready Asset Servicing from Broadridge

Our holistic Asset Servicing solution improves your operational efficiency, timeliness and accuracy and reduces costly risk associated with missing corporate actions.

Broadridge's SRD II-ready platform allows you to streamline and manage the entire asset servicing life cycle, from announcement data capture and cleansing to client election and instruction maintenance.

1

### Agenda Distribution and Voting

2

### Vote Confirmation (institutional clients)

#### SOLUTION

## Global Proxy Solution

- Manages translation and distribution of meeting agendas for all markets, EU and non-EU
- Vote processing without delay
- Facilitation of confirmation requests for institutional shareholders
- Recording and counting of votes cast

3

### Shareholder Disclosure

#### SOLUTION

## Shareholder Disclosure

- Provides shareholder ID monitoring
- Request forwarding
- Response filing
- Helping intermediaries to fulfill shareholder ID obligations

# Unrivalled proxy voting technology and infrastructure

Our secure, state-of-the-art platform supports every part of the proxy lifecycle and enables shareholder participation through a proven, world-class experience.

It allows you to minimise the impact of SRD II on your business by taking action now to comply with all the requirements.

**1. Direct sourcing of meeting agendas in local markets** – across all markets, we can remove the complexity of sourcing meeting notifications and agendas.

**2. Agenda translation and distribution** – distribution of notifications and agendas, translated into the English language where required, through a choice of online and branded delivery tools, including via third party proxy advisors.

**3. Entitlement calculations** – fully reconciled, beginning on notification date through record date with the latest account positions.

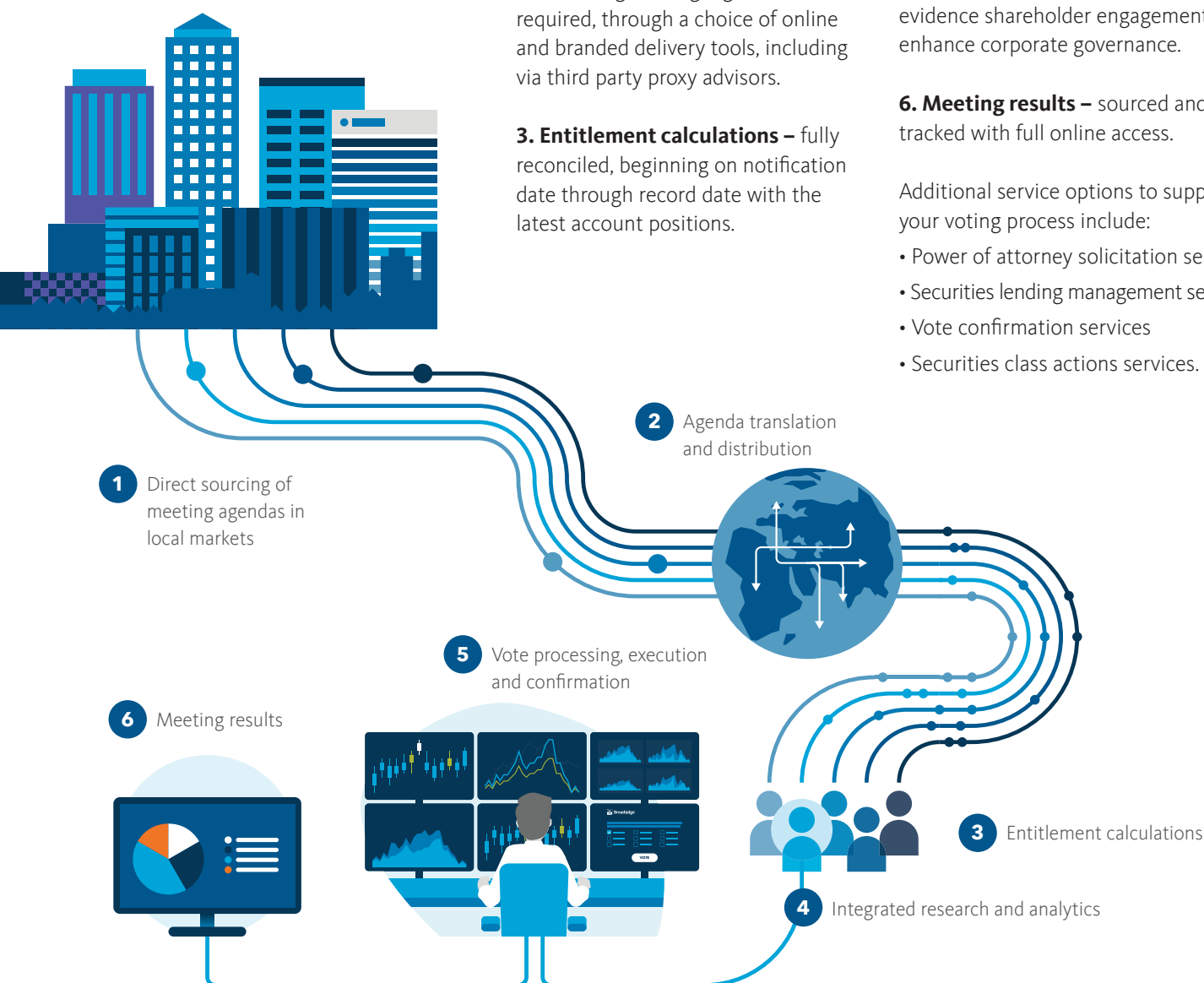
**4. Integrated research and analytics** – freedom of choice through seamless access to your preferred sources of independent voting research and analytics. Direct access to third party vendors and Broadridge analytics.

**5. Vote processing, execution and confirmation** – cross-border and local market solution that improves the efficiency and cost effectiveness of vote execution and meeting attendance, enabling every vote to get to the right place, at the right time. This supports intermediaries' requirements to evidence shareholder engagement and enhance corporate governance.

**6. Meeting results** – sourced and tracked with full online access.

Additional service options to support your voting process include:

- Power of attorney solicitation services
- Securities lending management services
- Vote confirmation services
- Securities class actions services.





## WITH OUR SOLUTION, VOTING IS:



### TRANSPARENT

Ensuring that investors have complete understanding as to where their vote is in the process, ultimately culminating in a vote confirmation where available.



### ACCURATE

Powerful processing ensures millions of votes are counted correctly and records properly reconciled every day.



### LOW RISK

The process is highly automated, secure and ISO 27001 certified and the complete process having a near 0% error rate.



### COST EFFICIENT

Leveraging our global infrastructure provides industry-leading economies of scale, delivering operational and cost efficiencies.



### FAST

Delivering information to investors earlier, giving them more time to research and make voting decisions.



### SIMPLE

Simply enable compliance and increase operational efficiency with our comprehensive, end-to-end global proxy solution.

# Flexible global proxy user experiences

Our unique 'freedom of choice' model enables flexible delivery of meeting information and ballots to institutional or retail clients, or their agents, through your chosen channel, while providing robust management and monitoring capabilities.

Institutional Clients	Retail Clients
<p>We provide a flexible offering to support your institutional clients with a single consolidated dashboard for proxy management (ProxyEdge®) tailored to your precise voting and reporting needs. Our unique 'freedom of choice' model enables the delivery via your clients' preferred channel.</p>	<p>We provide a white-labelled online interface for retail shareholders, enabling you to create a seamless customised voting experience within your existing online portal. Investor Mailbox consolidates all communications into a single portal and the ProxyVote™ app provides a powerful mobile voting platform.</p>
<div data-bbox="105 1850 256 1955"></div> <div data-bbox="359 1850 475 1955"></div> <div data-bbox="569 1850 721 1955"></div> <div data-bbox="105 1993 256 2024">ProxyEdge®</div> <div data-bbox="292 1993 531 2060">Vote Agents (eg. ISS, GlassLewis)</div> <div data-bbox="606 1993 686 2024">SWIFT</div>	<div data-bbox="815 1850 967 1955"></div> <div data-bbox="1054 1850 1121 1955"></div> <div data-bbox="1206 1850 1415 1955"></div> <div data-bbox="841 1993 941 2058">Investor Mailbox</div> <div data-bbox="1051 1993 1118 2024">Email</div> <div data-bbox="1203 1993 1393 2058">ProxyVote™ desktop/mobile</div>

# A new solution for shareholder disclosure

Broadridge's Shareholder Disclosure Hub is an EU market-wide platform based on blockchain technology that enables you to respond efficiently and securely to issuer requests within the required deadlines.

Our solution manages all requests and responses, authenticating disclosure requests and delivering these through straight-forward interfaces for all intermediaries.

## **Regulatory Compliance**

Support your compliance obligations across EU/EAA markets with all SRD II shareholder disclosure obligations, providing simple oversight and proof of compliance status.

## **Operational Efficiency**

Manage single EU/EAA wide platform, rather than multiple separate ones.

## **Data Security**

Support your compliance requirements for all data protection legislation, including GDPR.

## **Simple API**

Make use of the platform quickly through seamless connectivity with our APIs.

## **Risk Reduction**

Significantly reduce risk, such as the risk of data leakage to unauthorised recipients, and the risk of failure to forward or respond to a request.

## **Cost Savings**

Avoid the need to build and support your own multi-jurisdiction message communication solutions.

## **Efficient Processing**

Utilise automated file uploads, easy to use interfaces and standard reports.

## **Blockchain Technology**

Rely on Broadridge to handle complex data chains accurately, quickly, securely and transparently.



## THE BROADRIDGE DIFFERENCE

### **Account management and client service excellence**

Best-in-class client services from full-time dedicated account teams based in the same timezones where our clients are located

### **Delivery of operational and cost efficiencies**

Fully automated, award-winning solutions for proxy distribution and vote processing infrastructure

### **Advanced, leading solutions**

Significant, ongoing investments in technology and resources to help firms meet regulatory requirements and prepare for market change

### **Committed global market leadership**

Supporting proxy processing for 30 years, with ISO 27001 certified operations and fully audited by external firms

### **Comprehensive breadth of additional service choices**

A wide range of support for all your institutional and retail clients' needs

### **Highest standards of cybersecurity and business continuity**

Minimise the risk of data, compliance and reputational risk through our robust security and business continuity model

### **Neutral and transparent**

Broadridge is a neutral and independent service provider, committed to bringing transparency to the shareholder voting network security and business continuity model

Broadridge, a global fintech leader with \$4 billion in revenue, provides communications, technology, data and analytics solutions. We help drive business transformation for our clients with solutions for enriching client engagement, navigating risk, optimising efficiency and generating revenue growth.

**[broadridge.com](https://broadridge.com)**

Ready for Next

Communications  
Technology  
Data and Analytics

